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INTERNATIONAL COOPERATION AGAINST THE ILLICIT PRODUCTION, SALE, DEMAND, TRAFFIC AND DISTRIBUTION OF NARCOTICS AND PSYCHOTROPIC SUBSTANCES AND RELATED ACTIVITIES

Report of the Secretary-General

SUMMARY

The drug problem has become increasingly globalized, and the traditional perception that it concerns producer nations and consumer nations only is no longer valid. There are now high rates of addiction in both industrialized and developing countries, with wide-ranging health and social impacts. Additional challenges to drug control are posed by trade liberalization and the growing interdependence of the world economy, while in many countries, political instability, fragile drug control institutions and the absence of effective regulatory systems undermine the ability of Governments to respond. Finally, the linkages between drug-related problems and socio-economic development are now well recognized. The increasingly complex nature of the drug problem thus calls more than ever for Governments to make a collective and global response.

A well-founded framework for government action and international cooperation exists in the form of the drug control conventions and the Global Programme of Action. The work of the United Nations system is led and coordinated by the United Nations International Drug Control Programme, which was established by the General Assembly in 1990, and an increasing number of agencies in the United Nations system are now addressing the issue within their respective fields of competence and in cooperation with the Programme. Such machinery, however, remains under-funded, especially with regard to the general resources needed to undertake and sustain the core mandated activities of the United Nations.

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INTRODUCTION

1. The purpose of the present report is to assist the Economic and Social Council in considering the theme: "International cooperation against the illicit production, sale, demand, traffic and distribution of narcotics and psychotropic substances and related activities".

2. At its organizational session in February 1996, the Council decided to adopt the above-mentioned theme for the high-level segment of its substantive session of 1996, as strongly recommended in its resolutions 1995/1 and 1995/40.

3. The present report briefly reviews the critical issues facing the international community in its fight against drug abuse and illicit trafficking. The report focuses on the threat to the world economy posed by international drug trafficking and the impact of drug abuse on societies; recommends actions to improve international cooperation in drug control; and examines the work of the United Nations in the field.

4. Section I outlines the economic dimensions of illicit drug production, trafficking and abuse, including the links between economic reform and organized crime, as well as those between illicit drugs and development. It considers alternative development and reviews practical ways to combat the problem, such as strengthening the prevention of money-laundering and establishing more effective international cooperation.

5. Section II examines the social impact of drug abuse, including its relationship with the family, the workplace and society, as well as its adverse health consequences, such as the transmission of human immunodeficiency virus (HIV) infection and the spread of acquired immunodeficiency syndrome (AIDS). Section II also proposes a number of measures for tackling this aspect of the problem, particularly strategies for preventing drug abuse by young people.

6. Section III highlights the global dimensions of drug abuse and trafficking, the international response and the role of the United Nations as the main focus for concerted international action in the field.

7. Recommendations to assist the Council in its consideration of the subject are listed at the end of each section. The attention of the Council is also drawn to the views of the Commission on Narcotic Drugs on the follow-up to General Assembly resolution 48/12, as contained in its report on its thirty-ninth session, in particular its resolutions 8 (XXXIX) and 10 (XXXIX). The attention of the Council is further drawn to Assembly resolution 50/148, in which the Assembly invited Member States to inform the Council at its high-level segment of 1996 on progress in international cooperation, especially on specific national efforts to engage the United Nations system and the multilateral development banks in addressing the drug problem.

I. ECONOMIC DIMENSIONS

8. It is difficult to estimate the full economic impact of the illicit drug problem because its clandestine nature complicates rigorous assessment and hinders analysis. However, the relentless spread of the problem has increased awareness of the detrimental effects of drug abuse and trafficking on the economic and social fabric of society, which has forced the illicit drug problem higher up the world's economic and social agenda, considerably improving the prospects of overcoming obstacles that have hitherto prevented a detailed understanding. With regard to the economic dimensions of the problem, there is now general agreement on several areas requiring further investigation, notably the impact of illicit drugs on employment, prices and taxation, trade and finance.

9. It is sometimes assumed that the illicit drug trade is a cost-free source of jobs for those unable to find productive work in other sectors. Yet even in the producer countries, the apparent employment gains are more than offset by insidious and deep-rooted side-effects. Resources are diverted from legitimate and more sustainable investments and lost to society in general, and there is an inevitable spillover from drug production into consumption. Moreover, identifiable costs of drug abuse, in countries where such data are available, range from 0.5 to 1.3 per cent of gross domestic product (GDP), most of which represents drug-related crime and law enforcement costs.

10. Since the 1980s, primary commodity prices have remained low and some have declined. In contrast, crops such as the opium poppy have proved more profitable for the farmers, who can make a subsistence income from them even though more than 90 per cent of profits in the cocaine and heroin trade are generated during distribution. However, because drug crops are produced entirely in the informal or illegal sector of the economy, they diminish the accuracy of the basic indicators, such as retail prices, that Governments use to shape economic and fiscal policy. Furthermore, the bulk of drug-related income, which is earned not by farmers but traffickers, is usually deposited abroad or used for legal and illegal luxury imports; few benefit from the profits of the illicit drug trade, which also go untaxed. The size of this underground sector seriously distorts the efficient working of many economies.

11. As trade barriers collapse and intraregional trading arrangements proliferate, drug traffickers have also taken advantage of the general ability to move goods more freely between countries. Trade liberalization is welcome and generally brings more benefits than problems, but the resultant rise in cross-border trading has opened new avenues for illicit drug distribution and may well be diminishing the chances of detecting a greater proportion of illicit goods relative to the rising volume produced and trafficked.

12. Two significant consequences of the illicit drug problem are money-laundering and criminal investment. The Financial Action Task Force, which was established in 1989 by the Group of Seven major industrialized countries, has estimated that of the $122 billion accumulated annually from cocaine, heroin and cannabis sales during the late 1980s, about 70 per cent, or $85 billion - an amount greater than the gross national product of three quarters of the 207 economies of the world - became available for laundering and investment. It is

difficult to document what criminal organizations do with their laundered profits. The growing economic impact of crime syndicates in several countries is only one reflection of a worldwide trend in which criminals are using their earnings to invest in real assets. The better the data that we can gather about these areas, the better will we be able to devise means of countering them.

A. Organized crime and money-laundering

13. The link between crime and drugs is increasingly affecting societies. Trafficking begets other criminal activity, such as violence between groups competing for market share at the wholesale and retail levels. At the same time, the sums involved give criminals substantial resources with which to organize themselves efficiently, with little or no regard for the fiscal, regulatory and legal constraints on normal businesses. Their capital resources are increasingly being used to finance diversification into legitimate business activity. Such intermingling of illicit and legitimate activities poses a serious threat to tackling the drugs problem.

14. Drug profits appear to be growing in spite of increasing seizures by anti-trafficking forces. European seizures of heroin increased nearly fourfold between 1984 and 1994, but the ratio of seizures to shipments - in other words, the success rate of anti-trafficking measures - is unknown. What evidence there is suggests that production rates are rising even more rapidly than seizures. The net result is that until and unless global demand becomes saturated, profits will continue to grow in both absolute and relative terms. The relationships between the volume of drugs illicitly produced, the volume actually trafficked and the amounts seized merits further study in order to establish the true magnitude of the problem.

15. Financial flows from drug trafficking may be estimated directly or indirectly. Direct methods analyse international banking and capital account statistics for the balance of payments; indirect methods gauge net profits by correlating estimates of world drug production, market demand among drug abusers and the volume of seizures. There is a need to continuously review estimating methods in order to improve accuracy and understanding of the problem.

16. One result of money-laundering becoming a major international concern has been a continuing process of legislative consolidation. Some of the more important milestones in developing international controls include the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, of 1988; the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, which was concluded in 1990; and the Global Programme of Action adopted by the General Assembly in 1990. Money-laundering is a priority of the Commission on Crime Prevention and Criminal Justice. Two important conferences took place in 1994: one was held in Courmayeur, Italy; the other, a widely reported ministerial conference on organized transnational crime that examined how best to ensure a global response to the problem, was held in Naples. Also fundamental are the guiding recommendations of the Financial Action Task Force of February 1990.

17. To build on that momentum, there is a need for better coordination and a rational division of labour among national and international bodies. Because of its global constituency, the United Nations is well placed to coordinate with other organizations working in this area, such as the Financial Action Task Force, the Council of Europe and the Inter-American Drug Abuse Control Commission of the Organization of American States, and to expand the scope and application of measures that prove effective against money-laundering. The United Nations could also coordinate the provision of technical assistance and training to Member States so that they can better design their own strategies and strengthen any appropriate mechanisms for prevention and control. Money-laundering can involve complicated processes, and fighting it requires an understanding of sophisticated financial instruments and procedures; training is thus a particularly important form of technical assistance.

18. Another crucial current issue is the link between market reform and the economic influence of laundered drug money. As Governments' managerial role in economies diminishes, organized crime is taking advantage of the attendant relaxation in regulatory regimes. The benefits of economic liberalization, which brings with it more widely accessible banking and freer flows of capital, almost certainly outweigh the pitfalls. However, an easier regulatory framework can be exploited by good and bad alike. One unwelcome consequence is that it is easier to invest drug-related earnings in both legitimate and illicit sectors of the economy.

19. For example, privatization can provide openings for organized crime to buy a foothold in the legitimate sector. Banking reforms, which admit new entrants into the financial sector, can be manipulated by criminal organizations with substantial cash holdings. The key to countering such abuses is to apply controls friendly to legitimate investors, such as:

(a) Greater transparency in financial records: transparent record-keeping on sources of finance would allow a clearer picture of the status of financing of any firm;

(b) Anti-racketeering laws: criminal financial activities should be clearly defined in law, with common international definitions wherever possible;

(c) Information exchange: the exchange of intelligence on criminal trends, in particular cross-border financing, must become a more fundamental aspect of anti-crime efforts;

(d) Internationalization of drug control: Cross-border cooperation and coordination between those responsible for international drug control must play a more central role in tackling drug-trafficking organizations.

B. Illicit drugs and development

20. Illicit drugs can seem an attractive means to economic development. Yet the economic gains, as noted above (see paras. 9 and 10), are illusory: the apparent benefits for a few in the illicit drug trade mask many negative economic, social and environmental side-effects. Short-term economic gains are

far outweighed by the spread of addiction, lower productivity, eroded human capital and environmental decay. The cumulative effect is to compromise sustainable development.

21. A recent study supported by the United Nations International Drug Control Programme (UNDCP) and other agencies in Egypt, Mexico, Namibia, Poland and Sri Lanka found that substance abusers have 2 to 4 times more accidents at work than other employees, and are absent 2 to 3 times more often. The rise in drug abuse in many countries is thus fraught with implications for long-term productivity. Having a job may well discourage drug abuse: the 1993 national household survey in Colombia found that the annual prevalence of illicit drug abuse was highest among those who had no work (4.1 per cent), while it was four times lower among those who had work (1.1 per cent).

22. Drug-driven economic activity also diverts scarce resources away from conventional wealth-creating investment into high-risk, short-term ventures. In terms of opportunity costs, short-term economic gains from the illicit drug industry must always be measured against what could have been achieved legally with the same resources. In the end, drugs bring about a loss of investment in legitimate enterprise by farmers and processors; a failure to develop human capital since drug-related employment provides a false sense of security to its "workforce"; and a decline in the quality and size of the legitimate workforce.

23. Street children illustrate the impact on human capital. Fuelled by demographic pressures, many cities of the developing world have makeshift warrens full of destitute children trapped in a vicious circle of poverty. When poverty and adolescent lack of regard for legal norms combine, illicit drugs, particularly solvents, can seem to offer a means of economic survival, a source of peer respectability, and a convenient albeit temporary escape from reality.

24. The damage to human capital is even more obvious when HIV and AIDS are involved. The primary cause of HIV transmission in the developing world is sexual activity, but intravenous drug use still accounts for a substantial portion of AIDS-related cases. In Brazil, for example, it is believed that about 28 per cent of HIV transmission is due to intravenous drug use. In Thailand, the prevalence of HIV infection among intravenous drug users is between 40 and 50 per cent, representing a continuing drain on future human and economic potential.

25. The impact of illicit drug production on the environment is equally unmistakable: illicit crop cultivation and drug production are often responsible for deforestation, soil degradation and water pollution. Coca cultivation is thought to have led to the deforestation of 700,000 hectares in the Amazon region of Peru alone. Each year in Colombia, more than 20 million litres of ethyl ether, acetone, ammonia, sulphuric acid and hydrochloric acid, all of which are involved in the production of cocaine hydrochloride, are dumped into streams and tributaries of the Amazon and Orinoco rivers. Intense use of pesticides by coca cultivators in the Chapare area in Bolivia has already seriously contaminated groundwater.

26. It is clear that anti-drug efforts must be closely allied to development policies. However, the tremendous expenditures required for alternative

development make a division of labour essential among the agencies concerned. Indeed, the scale of funding needed will require that Governments and international organizations quantify the benefits of the investment involved and seek ways of securing a broader and more stable financial foundation for alternative development initiatives than has hitherto existed. This will require a clear understanding of common objectives between Member States and agencies and among the agencies themselves.

27. For any joint undertaking between drug control and development bodies, multidisciplinary teamwork and consultation must begin at the earliest possible stage of any project. In that way, drug control can be included as an integral part of an overall package of development assistance. For example, a drug-plagued community might be helped by improvement to its schools. A sensible division of labour would be for development bodies to concentrate on establishing an educational infrastructure on a sustainable basis. Drug control bodies would develop preventive education programmes for young people, fund outreach initiatives to reintegrate drug abusers into the school system, and campaign to raise wider awareness and understanding of the problem.

28. Another useful example would be post-war economic reconstruction. In that case, development bodies would focus on such issues as reviving agricultural production, controlling disease, reintegrating refugees and rebuilding infrastructure. There would also be a coordinated effort to demobilize ex-combatants and start skills re-training and job creation schemes. It would also be necessary to combat drug trafficking and any related arms smuggling activity. At the same time, drug control bodies would help to reintegrate the country into the international legal framework, thwart the emergence of illicit production, develop the institutional mechanisms to prevent cross-border trafficking, and prevent a rise in domestic abuse through education and rehabilitation.

C. Recommendations

29. More accurate knowledge is needed about the economic dimensions of the illicit drug problem to help develop and target domestic and international drug control policy. At the country level, economic policy-making and drug control authorities need to establish institutional partnerships, which would vastly enhance national capabilities in addressing the economic dimension of illicit drug production, trafficking and consumption. How best to nurture such partnerships for progress at the regional and global levels should be addressed by Member States.

30. Opportunities to launder drug money are made easier by a global economy that is increasingly interdependent. Mechanisms must be developed to facilitate multilateral decision-making and action against money-laundering. The foundation laid by regional organizations must be built upon, and the United Nations has both the potential and the comparative advantage to contribute to cooperation between the relevant country-level authorities. An equally essential area of cooperation for policy development is that between the public and the private sectors: greater coordination between Governments and private

banking and other financial institutions is an important prerequisite for controlling money-laundering at the international level.

31. Action should be taken to support and enhance the various efforts already under way to reinforce partnership between development and drug control organizations. Member States should act through the governing bodies of development organizations to ensure that they incorporate drug control concerns whenever appropriate in their activities. Governments seeking assistance from international financial institutions should include drug control activities in their proposals, especially alternative development in zones affected or threatened by illicit cultivation. United Nations agencies, acting through the Administrative Committee on Coordination (ACC), have already launched an intensified operational partnership in the field of drug control; each concerned agency should take all necessary steps to ensure full implementation of the ACC decisions, especially at the country level.

II. SOCIAL DIMENSIONS

32. There is debate in many countries about whether illicit drug use should be considered a crime, a disease, a social disorder or some mixture of these. Public policy is often ambivalent about the nature of drug addiction, with social attitudes reflecting uncertainty about its causes and who is responsible for dealing with it. Several areas warrant investigation as far as the social dimension is concerned, notably the relationships between drugs and the family, health, education, employment and crime.

A. The family

33. The link between drugs and families is complex. It is not correct to assume routinely either that parents are responsible for their children's drug-related problems or that substance users deserve blame for the problems of their families. On the other hand, factors influencing drug abuse may include prolonged or traumatic parental absence, harsh discipline, failure to communicate on an emotional level and drug use by parents. Relocation of families or individual members in search of work, which will increase with the growth of interdependence within the world economy, can also be a factor.

34. There is also evidence that illicit drug abuse correlates more strongly with disintegration of the family than with poverty, which was demonstrated in a study conducted in Mexico by the United Nations Research Institute for Social Development and the United Nations University. A similar study conducted by the same bodies in the Lao People's Democratic Republic found that where social controls exercised by the family and the community had broken down, opium and heroin consumption rose among young people to affect as much as 10 per cent of the population. Another study in the same series, this time in Thailand, attributed increasing abuse of heroin and psychotropic substances to urbanization, rapid cultural change and a breakdown in family cohesion. The relationship can also work the other way, with substance abuse straining family relations and ultimately making families dysfunctional, transforming them from an asset into a burden on society.

35. Yet the family group can also be a potent force for prevention and treatment. It is important to recognize and support the family, in whatever form it takes, as a resource for drug abuse prevention and treatment. The family has a key role to play in teaching the young, providing health care and mobilizing community support when necessary, and can thus improve efforts to reduce both the supply of and demand for drugs.

36. Young people suffer most from the fragmentation of the family. In many cultures, adolescence is a period for developing a sense of self-identity and establishing new social ties, values and ideals. It is a very vulnerable period of life, in which peer group pressure can result in experimenting with drugs.

37. Drug abuse is expanding among different groups of young people. The average age of first contact with drugs has decreased worldwide. New drugs such as "ecstasy" and designer drugs, are emerging alongside the more traditional ones such as heroin and cocaine, and it is disturbing that more young people than ever before are injecting drugs.

B. Health

38. The health costs of a drug abuser appear to be some 80 per cent higher than those of an average citizen in the same age group. Cocaine, heroin, other opiates, barbiturates, amphetamines and their derivatives have all been widely implicated in drug-related, premature death. The link between intravenous drug use and the spread of HIV-AIDS is also well established: some 22 per cent of the world's HIV/AIDS population are intravenous drug users.

39. A possibly more significant link between drugs and health, according to the World Health Organization (WHO), is the relationship between substance abuse and hepatitis, tuberculosis, cardiovascular diseases, cirrhosis and neuropsychiatric disorders. Drug abuse may lead to complications in pregnancy including fetal distress and post-natal disorders, and may also contribute to violent behaviour and suicide. Indeed, the true impact of drug abuse on health transcends the spread of HIV/AIDS, having a far more widespread role throughout the world in causing and exacerbating illness.

40. It is more effective and less costly to prevent people from taking drugs than to cure them when they do. Drug abuse continues to be a reality, however, and has to be reckoned with in its various manifestations. Strategies need to be adapted to address the problem in all its forms, from experimental abuse to dependent abuse. Outreach work and innovative measures of early intervention are as important as treatment and rehabilitation, especially when it comes to young people at risk.

41. Nevertheless, treatment and rehabilitation are essential components of demand reduction. Research suggests that properly managed treatment changes behaviour, providing a foundation for rehabilitation and reintegration into the community. Successful programmes, however, require qualified staff, constant management, adequate resources and the flexibility to adapt to changing circumstances. Because specialized assistance is often not available in many countries, existing primary health-care settings and networks may have to be

adapted. Most people in rural areas have no easy access to specialized health care, but the use of primary health care networks can provide a contact point and a means of intervention.

42. Increasing abuse of synthetic stimulants is also emerging as a major threat to health, and the wide range of amphetamine-based substances is particularly worrying. The abuse of synthetic stimulants has grown rapidly at a time when their therapeutic use has been in decline, and the problem is worsening faster than the problems posed by heroin and cocaine, with serious implications for international drug control because many of the synthetic stimulants are cheaper than cocaine, have a longer stimulant effect and cannot be controlled at the supply level since they do not depend on botanical raw materials. The main consumers of the new synthetic stimulants in many parts of the world are young people, who may be attracted to them because despite the damage to health that they can do, they do not carry the same harmful image as other drugs.

C. Education

43. There is little question that drug abuse diminishes young people's ability to realize their full learning potential. There is an urgent need for all Governments to embrace preventive education as a basic means of trying to contain the spread of drug abuse. The high-level segment of the Economic and Social Council could provide a much-needed boost to a greater integration of preventive education, allied to the promotion of healthy lifestyles, in basic school curricula.

44. In many countries, however, few children have access to even basic school education, so that one must also look beyond the school to deliver preventive programmes: home, the community and religious institutions, to name three examples, are appropriate non-academic settings for the education of young and old alike.

45. On the other hand, there are societies that are reluctant to recognize and address openly drug-related problems and even in societies in which such problems are recognized, drug abuse must vie with a host of other ills for financial resources, which is why Governments must play a central role in leading the debate on drug abuse within their societies. They have the capability to gather information on the problem and the responsibility to use the knowledge gained to promote greater awareness: only if they are provided with an understanding of the problem can people be expected to do something about it.

D. The workplace

46. As mentioned above (see paras. 9 and 10 and 20-24), the direct and indirect ramifications of substance abuse in the workplace are numerous, including increased levels of absenteeism, accidents and claims for sickness benefits and compensation. The hidden financial costs associated with substance abuse, such as lost productivity or lost business opportunities, are substantial, as are the human costs such as loss of jobs, loss of skilled workers and strained labour

relations. It must be borne in mind that while prevention is optimal, treatment is also possible, and in that context work is vital to recovery and contributes profoundly to securing dignity and a place in the world for the recovering person.

E. Crime

47. The potential for organized crime to exploit the liberalization of economies around the world is discussed in section IA above. There are also social dimensions to the link between drugs and crime.

48. It is generally recognized that there are three types of violence associated with drugs: (a) violence caused by the pharmacological effects of the drugs themselves; (b) economic compulsive violence; and (c) systemic violence. The pharmacological effect of some drugs induces or increases aggressive behaviour. Economic compulsive violence arises from addicts' need for money to buy drugs, and even though violence figures in only a small proportion of crimes committed to raise drug money, the amount of violence involved is still significant. Systemic violence develops through the relationships between addicts, dealers and traffickers; it centres on competition for market share and control of territory, and often forces many addicts into drug distribution and trafficking.

49. Policy makers and the community at large must take account of social problems resulting from drug abuse and crime because of their widening impact on society at large. Studies of the regional prevalence of violence in Colombia, for example, have shown that 8 of the 10 most violent regions in the country are major cocaine and marijuana-producing and trafficking areas. Another related problem is theft: one study found that 50 per cent of the total value of theft in 1993 in England and Wales was drug-related. The correlation between drug use and prostitution is sometimes the result of a decision to finance the former with the latter, although escape from destitution is probably still the primary cause.

F. Recommendations

50. The biggest priority in tackling the drug problem at the social level is to prevent drug abuse by young people. Young persons are affected more than others by changes in the availability of drugs and attitudes towards them. If drugs are readily available and society takes a permissive attitude to drug use, the number experimenting with drugs will increase and the number lapsing into regular drug-taking habits will be greater. Demand-reduction programmes should therefore be mutually reinforcing components of a balanced, comprehensive and multifaceted drug control strategy.

51. Preventing drug abuse requires a long-term commitment. It is necessary to look for fundamental changes rather than short-term results. To that end, the integration of demand-reduction programmes into existing or planned social and health policies is vital. The drug issue needs to be incorporated into programmes addressing other major issues, such as poverty, housing, unemployment

or rural development. Different types of demand reduction programmes, whether education, community activities, treatment or rehabilitation, should be integrated, focusing particularly on the prevention of drug abuse by young people.

52. In addition, drug abuse prevention should be comprehensive and multisectoral, involving social skills training, the promotion of a healthy life style, family support, community involvement, advocacy and social mobilization. What is needed is an approach that involves the widest possible range of social actors to promote healthy development of the young person rather than piecemeal programmes that address drug and substance abuse as an isolated problem.

53. Drug prevention measures for young people need to try to reach as many young people as possible. General measures should be supplemented by measures targeting groups at special risk, such as out-of-school children and street children. It is essential to identify and target vulnerable groups through programmes tailored to their specific needs and characteristics.

54. Preventive education should be further integrated into the operational portfolios of all relevant bodies of the United Nations system. It is equally important to formally establish or strengthen regular dialogue on demand reduction among all entities within the United Nations system that have an interest or a role to play. There is a need to focus on the prevention of drug abuse by young people and seek long-term solutions. The integration of demand reduction activities into existing or planned social and health policies is a prerequisite for achieving a truly multifaceted effort in drug abuse control.

III. GLOBAL DIMENSIONS

A. Globalization of the problem

55. Drug abuse and trafficking have become increasingly complex over the last three decades: there are more illicit drugs, production is more widely spread, there is more abuse and more trafficking routes have opened up. A world market driven by demand and opportunity has developed just as much for illicit drugs as it has for consumer goods, thus globalizing the drug problem.

56. New drugs or new forms of old ones have emerged. Among the opiates, new drugs are limited for the most part to variations in preparations of existing drugs or products, such as the poppy straw-based "compote" or crude versions of heroin that have been appearing in many countries. With cocaine, the new drug has been the notorious crack. Synthetic drugs offer varied pharmacological effects, as different hallucinogens, barbiturates, amphetamine-type stimulants or amphetamine derivatives emerge in different places. Collectively, they are abused in enough different countries to be labelled a global problem.

57. In economic terms, the illicit drug market behaves no differently from any other market for goods and services, all of which have been globalizing rapidly in the last 10 years under the impetus of economic liberalization, rising consumer affluence and improved international transport infrastructure. As with legitimate goods and services, developing countries provide some of the fastest

growing regional markets. The highest rates of heroin addiction are no longer found in developed countries but rather in a number of developing countries in Asia, such as Pakistan, and high growth rates for heroin abuse are also found in parts of Africa. Crude coca derivatives are creating problems in producer and transit countries. Methaqualone has faded considerably from the scene in industrialized countries, while remaining a major problem in Eastern and Southern Africa. Significant abuse of several psychotropic substances has been observed in countries of West Africa. In the Middle East, there is large-scale diversion of both barbiturates and amphetamine-type stimulants from legitimate pharmaceutical and therapeutic use.

58. Trafficking patterns tend to follow drug types and country of origin. Cocaine distribution, for example, begins in the Andean region and spreads northward though Central America, Mexico and the Caribbean region to end points in North America, Europe and elsewhere. With the development of easier passage across international borders by people, goods, services and capital, the notorious "Balkan route" has transformed itself into a broad land-based network of primarily heroin trafficking routes stretching from Afghanistan and Pakistan through the Islamic Republic of Iran, Turkey and the Central Asian States of the Commonwealth of Independent States to almost every major city in Europe.

59. Global economic and social changes have also provided the opportunity for illicit drug producers and traffickers to organize themselves on a global scale, placing and investing illegal profits in financial centres that offer secrecy and attractive investment returns. The illicit drug trade is therefore very well positioned to spread corruption, threatening any nation's security by undermining the legitimacy of democratic institutions from within.

B. International response

60. The above-mentioned trends have forced a change in the way the international community tries to tackle the problem. Until the mid-1980s, the drug challenge was perceived as the sole concern of producing and consuming States but the globalization of drug abuse and trafficking has removed that perception beyond any doubt, replacing it with the principle of shared or collective responsibility, as enshrined in the Declaration adopted by the International Conference on Drug Abuse and Illicit Trafficking (Vienna, 17-26 June 1987). In 1988, the international community decisively strengthened the array of legal instruments at its disposal by adopting the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

61. Another decisive step was taken by the world community in 1990 with the launching of an all-encompassing and balanced strategy, the Global Programme of Action adopted by the General Assembly at its seventeenth special session. In adopting the Programme of Action, the entire world community joined in a network of mutual obligations and a commitment of resources to more effective action, reaffirming the central role of the United Nations in international cooperation in drug control and emphasizing the high priority attached by the world community to international drug control. That high priority was recognized in the current Medium-term Plan and reaffirmed during the commemorative meeting of

the General Assembly in October 1995, when many heads of State and Government devoted special emphasis in their statements to the role of the United Nations in combating illicit drugs.

62. Today, the international community has an effective arsenal at its disposal: a well-founded legal framework of conventions to address the problem; a strategy; a field of action; and, since 1991, UNDCP, the body with lead responsibility for coordinating international action against drugs. These are complemented by the United Nations System-Wide Plan on Drug Abuse Control and the ACC agreement in 1995 on the necessity to integrate drug control activities in the work programme of relevant organizations within the United Nations system.

63. Programmes and agencies in the United Nations system have rallied positively to the call for greater involvement, leading to a clear increase in the number of active partners. Based on their mandates and interests, a number of agencies, such as WHO, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization, have been active for many years in the demand-reduction side of drug abuse control, while the Food and Agriculture Organization of the United Nations and the United Nations Industrial Development Organization have collaborated in projects targeting supply reduction. A long and close working relationship exists between UNDCP and the United Nations Development Programme (UNDP). The close relationship in subject matter between UNDCP and the Crime Prevention and Criminal Justice Division of the United Nations Secretariat is reflected in joint activities and in the definition of strategy, areas in which both bodies are already making constant efforts to collaborate and complement each other in pursuit of common goals.

64. The emerging partnerships and alliances are not limited to funding arrangements or bilateral cooperation between agencies. They often result in multi-agency, multisectoral activities. UNDCP is now participating in the projects of a number of agencies, such as the United Nations Population Fund, the Joint and Co-sponsored United Nations Programme on HIV/AIDS, UNDP, the United Nations Children's Fund and the World Bank, as well as strengthening its ties with its traditional allies. Emphasis is being placed on cooperation at the field level, where a growing number of small-scale, action-oriented interventions are being initiated with other agencies.

65. During its first five years of existence, UNDCP steered a course of action that gave prominence to its catalytic, coordinating and broker roles. The first achievement of UNDCP was to reach a shared understanding with Member States on the priorities in international drug control, namely: adopting a balanced approach in which demand reduction and supply reduction are conceived as mutually reinforcing elements of a multidimensional strategy; promoting comprehensive national drug control plans that are integrated into each country's overall economic and social planning; developing and maintaining international norms and standards for drug control; mobilizing civil society, particularly non-governmental organizations, for the prevention and reduction of drug abuse; harmonizing action taken by United Nations agencies and programmes; and promoting cooperative efforts with key United Nations and external partners.

particularly in transferring expert drug control know-how. Those priorities require taking action at three levels: national, subregional and global.

66. The subregional strategy, which embodies a common understanding of and approach to drug control issues shared by the countries concerned, has achieved demonstrable positive results. UNDCP has sponsored subregional initiatives in East Asia, South-west Asia, South America and Eastern Europe. Based on experience to date, the subregional approach has been expanded, and similar agreements are being negotiated with countries in Central Asia, Africa, the Middle East and other parts of South America; such cooperation is designed to be a vehicle to enable Governments to work together, with support from UNDCP, to counter the drug challenge.

67. Another encouraging development has been the increase in the number of States that have adhered to the international drug control treaties, particularly the 1988 Convention. The legal assistance that UNDCP provides to Governments has assisted States not only in becoming parties to those instruments but also to help ensure their implementation. In 1995, direct legal advisory assistance was provided to 19 States, complemented by the convening of national and subregional workshops to train judges and prosecutors. In a similar spirit, UNDCP has been engaged in institution-building efforts that entail working with Governments in the preparation and adoption of national drug control master plans to transform the obligations of the treaties into practical programmes for combating drug abuse. In 1995, UNDCP provided advice and substantive assistance to 28 States in the formulation of national drug control master plans.

68. There has also been strong emphasis on forging a partnership with civil society and developing strong ties with non-governmental organizations. Hence, in the context of the United Nations Decade against Drug Abuse, UNDCP assisted in the convening of the Non-Governmental Organizations Forum '94 on demand reduction in Bangkok, with participants from over 100 countries. In mobilizing civil society, UNDCP has launched a number of initiatives, including a campaign to use sport as a vehicle for reaching young people, in cooperation with the International Olympic Committee; it is also promoting partnerships with the business world to enhance programmes in the workplace and collaborative schemes with the business community for the prevention of drug abuse.

69. Since its inception, UNDCP has striven with the limited resources available to enhance its capacity as a reliable source of technical expertise and information on illicit drug production, trafficking and consumption; in particular, it has promoted the use of its rapid assessment methodology to help gather both quantitative and qualitative information on drug abuse trends at the national level. In addition, the demand-reduction expert forums, the regional meetings of heads of national drug law enforcement agencies, the establishment of an effective mechanism to coordinate assistance to Eastern and Central Europe, the convening of technical consultations on specific themes, the formulation of a regional action plan for the Caribbean and the analytical studies undertaken by UNDCP all reflect the leadership role played by UNDCP at the international level.

C. New challenges

70. In spite of all best efforts to date, new dimensions of the illicit drug threat have emerged at an alarming rate. In many countries, political instability, fragile drug control institutions and the absence of adequate regulatory systems are continuing to undermine the ability of Governments to respond. Most notably, in countries in transition, the new institutions required to fight illicit drugs and related criminal activities have barely emerged. Throughout the world, the vulnerability of administrations has left law enforcement officials, financial authorities and health personnel ill-equipped to confront a problem that is often new to them.

71. Governments must therefore exercise the strongest political will to overcome historical differences or traditional rivalries among the ministries concerned and must truly coordinate all those involved in the prevention of drug abuse and illicit trafficking. Institutional capacity to coordinate domestic actions with subregional and regional efforts is essential, and is the basis for effective leadership and coordination at the international level.

72. To consolidate the current achievements, all countries should use the full potential of the 1988 Convention as an instrument of international cooperation in combating drug trafficking. The realization of that full potential will require, inter alia, that all parties implement all provisions of the Convention, particularly the provisions designed to prevent the diversion of precursors and essential chemicals to the illicit manufacture of drugs, assist in adopting effective countermeasures to money-laundering, and enhance cooperation among countries in the investigation and prosecution of criminal offenses and in combating drug trafficking by sea.

73. In the area of demand reduction, which is characterized by a broad and, sometimes complex set of approaches and methodologies, the adoption of a declaration setting out the guiding principles of demand reduction would be an important step for the world community.

D. Strengthening the role of the United Nations

74. Following the establishment of UNDCP, the General Assembly, in its resolution 46/185 C of 20 December 1991, expanded the mandate of the Commission on Narcotic Drugs to enable it to operate as the governing body of UNDCP. In addition to providing policy guidance to UNDCP, the Commission was entrusted with administrative and budgetary functions related to the biennium programme budget of the Fund of UNDCP. The Commission also witnessed an expansion of its membership from 40 to 53 States, which broadened its political base. In performing its policy-making functions, the Commission must sometimes strive to reconcile national concerns with the governance requirements of a multilateral organization with a global mandate. Acting as shareholders of UNDCP, Member States must also ensure that the Commission can fulfil its role as a key forum for concerted action in international drug control, balancing policy recommendations addressed to Member States with decision-making and the guidance provided to UNDCP.

75. From the outset, the Commission on Narcotic Drugs has realized the need for UNDCP to rely on a critical mass of resources that could sustain the ingredients of a high-quality centre of expertise. That realization has been acknowledged by the Commission in a number of resolutions, in which the Commission has urged Member States to increase significantly their general-purpose contributions to enable UNDCP to carry out its specialist and normative functions.

76. At its thirty-ninth session, (Vienna, 16-25 April 1996), the Commission on Narcotic Drugs noted with concern trends showing a general decline in resources allocated to UNDCP from both regular and extrabudgetary sources. Budgetary levels for the biennium 1996-1997 are:

	Millions of United States dollars	Percentage
Regular budget	16.4	9.7
Fund of UNDCP	152.4	90.3
Total	168.8	100.0

Detailed analysis reveals that:

(a) Regular budget resources, mostly allocated for servicing the intergovernmental bodies and the International Narcotics Control Board (INCB), are being curtailed to comply with the austerity measures imposed by the financial situation of the United Nations, and may be reduced to about US$ 15.3 million in the current biennium;

(b) Seven Governments and the European Commission provide 90 per cent of the total voluntary contributions;

(c) A large proportion of the voluntary contributions is tied to specific technical cooperation activities in the field;

(d) The amount of general-purpose contributions, which was already limited to begin with, decreased significantly during the biennium 1994-1995. That essential source of funding was reduced by US$ 15.3 million, representing a 27 per cent drop compared to 1992-1993 levels, and the downward trend is expected to continue in the current biennium. Furthermore, about 60 per cent of the general-purpose contributions is borne by only three countries: Italy, Japan and Sweden.

77. This inadequate and unevenly shared general-purpose funding is primarily allocated towards expenditure at headquarters and in the field on core mandated activities, and for the management, back-stopping and support of technical cooperation. Such general-purpose resources, however, are not sufficient for UNDCP to maintain and strengthen its capacity as a centre of expertise in order to:

(a) Ensure the availability of higher-quality expertise in the various sectors of drug control;

(b) Provide more solid support and back-stopping of operational activities in the field, including programming, coordination, research, analysis and evaluation;

(c) Provide a credible point of reference for the establishment of a network of expertise available to the international community.

78. In the context of the above analysis, the Commission on Narcotic Drugs at its thirty-ninth session, noted that the General Assembly, in its resolution 45/179 of 11 December 1990, had entrusted UNDCP with an expanded mandate to evolve as the main focus for concerted international action for drug control and to conduct analytical work, research and policy implementation without, however, providing for a system of financing that expanded mandate. Accordingly, the Commission adopted resolution 10 (XXXIX) in which it recognized, inter alia, the need for increasing general-purpose funds from a much broader group of contributing States in support of UNDCP efforts to acquire a profile befitting a global centre of expertise. The Commission also expressed its appreciation for the UNDCP appeal to increase general-purpose contributions by approximately US$ 15 million annually. Documentation made available to the Commission explained that those additional resources would enable UNDCP to increase its capacity to gather, analyse and disseminate data on the reduction of the demand for and supply of illicit drugs. UNDCP could also provide additional expertise for action against money-laundering, the illicit traffic in precursor chemicals, the control of licit drugs and law enforcement. Finally, UNDCP would strengthen its capacity for researching the causes of the drug problem and its economic and social consequences, and for establishing and maintaining collaboration with other centres of expertise.

E. Recommendations

79. Over the years, the international community has become increasingly aware that global problems such as drug abuse and illicit drug trafficking with all their ramifications, require action that the United Nations is ideally suited to take; international drug control is an urgent priority that calls for such solidarity from the international community. Discussions at the high-level segment of the Council, including consideration of the proposal for a special session of the General Assembly, and the review of the United Nations Medium-term Plan for the Period 1998-2001 to be held later in 1996, are fitting occasions for Member States to show their commitment to international drug control and reassert the high priority assigned to the global fight against illicit drugs.

80. A true sense of global ownership of and participation in UNDCP can only be ensured if more countries assume greater responsibility for funding the essential elements of the UNDCP mandate. The Council may therefore wish to recommend that all States in a position to do so implement resolution 10 (XXXIX) of the Commission on Narcotic Drugs.